



City of Sunnyvale

Agenda Item

17-0633**Agenda Date: 7/20/2017**

REPORT TO BICYCLE AND PEDESTRIAN ADVISORY COMMISSION

SUBJECT

Recommendation to City Council on the Update of the Transportation Strategic Program and Adopting a Resolution Amending the City's Master Fee Schedule for Traffic Impact Fees

BACKGROUND

In November 2003, the City approved the Transportation Strategic Program and adopted a Transportation Impact Fee (TIF) on land development that generates new automobile trips (RTC No. 03-385). The purpose of the Strategic Program and fee was to identify and fund major roadway improvement projects that would be necessary to improve traffic generated by new development.

A broadly applied transportation impact fee on new development is well suited to addressing transportation capacity needs. It ensures that all development projects that add new trips to the street network pay a fair share of future transportation improvement costs. In addition, large development projects are still required to complete independent Traffic/Operational Impact Analysis Reports and are responsible for any identified additional improvements beyond those covered in the fee. As the City collects fees under the program, it can prioritize which projects are most in need as traffic patterns change.

The fee is based on transportation impacts caused by future growth as determined by the City's transportation model. The model runs traffic analyses for existing land uses and compares them against future growth to determine how many additional vehicle trips are added and what transportation improvements are needed. The cost of the improvements (minus outside funding sources - as an example Measure B projects require a 20% local match) is divided by the total new trips and the result is a cost per trip. The trips are converted to number of units (for residential development) and square footage (for office/industrial/research and development) using trip generation rates for each land use.

The Transportation Strategic Program and Traffic Impact Fee address major roadway improvement needs for development citywide and the fee is a significant revenue source for transportation capital improvements. Impact fees require periodic review and possible updating of the transportation model and land use used in the model that supports the fee, especially when there are significant changes in land use, funding, or policy that could affect it. The last update was completed in December 2013 and accounted for an updated transportation model and buildout of the general plan (RTC No. 12-232).

With the recently adopted major land use changes (Land use and Transportation Element (LUTE), Peery Park Specific Plan (PPSP), and Lawrence Station Area Plan (LSAP)) and Measure B as a new funding source, an update to the model and resulting fee is required.

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The City Council is scheduled to consider this item on August 22, 2017.

EXISTING POLICY

Land Use and Transportation Element Policy LT-5.7, Pursue local, state and federal transportation funding sources to finance City transportation capital improvement projects consistent with City priorities.

ENVIRONMENTAL REVIEW

Updating of the Transportation Impact Fee is a funding mechanism not subject to environmental review pursuant to CEQA Guidelines Section 15378; therefore, no CEQA action is necessary. The traffic analysis being used for the Study was part of the recently certified EIR's for the LUTE, PPSP, and LSAP.

DISCUSSION

Based on the recently approved major land use changes, new policies and priorities, and the passing of Measure B, it was determined that an update of the Transportation Strategic Program and Impact fees was necessary through a new Transportation Fee Study (Attachment 2). The newly updated study builds on the previous 2013 update which entailed the following: (1) updating the future traffic forecasts based on most recent land use assumptions in Sunnyvale and travel demand model results, (2) identifying any locations of substandard conditions, (3) updating the list of required improvements, (4) updating the cost of implementing the improvements, and (5) recalculating the proposed traffic impact fee by distributing the total improvement costs over anticipated future development in the City of Sunnyvale.

Attachments 3 and 4 provide the full list of improvements, costs, and funding splits between Moffett Park and the remainder of the City as discussed below. Within the study there are additional details of how the improvements were identified and analyzed. Below is a summary of the key or major changes from the previous study (Attachment 5 provides the list of current improvements included in the Transportation Impact Fee program):

- Recently approved land use plans - The City identified new impacts that required mitigation as part of the new land use plans (Land use and Transportation Element (LUTE), Peery Park Specific Plan (PPSP), and Lawrence Station Area Plan (LSAP)). The recommended fees include improvements that were identified as part of these recent land use approvals.
- Caltrain grade separations - These have been added to the impact fees.
- Pedestrian and Bicycle Improvements - Due to Transportation Demand Management requirements, the City's complete streets policies, and increased project costs a new pedestrian item was added to the list of improvements and the bike portion of the improvements was increased from \$1.5 million to \$10.0 million. As part of completing the new bicycle master plan staff intends to review the impact on the traffic impact fees.
- Lawrence Expressway grade separations - The grade separations were updated to account for new estimates, Measure B funding, and adjust for Sunnyvale's traffic and funding contributions.
- Intelligent Transportation Systems (ITS) - A new item has been added for ITS including the upgrade of the signal system and necessary infrastructure such as new fiber.
- Wolfe/El Camino - Inclusion of the "Triangle" project approved by Council as part of the Wolfe Corridor Study on June 21, 2016 (RTC No. 14-0273).

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Consistent with previous Council direction, there will continue to be two fees in the City (one for Moffett Park and one for the rest of the City). The recommended fees are shown below:

Moffett Park

Land Use	Existing	Recommended	% Change
Research & Development (1000 S.F.)	\$5,959	\$6,375	7%
Industrial (1000 S.F.)	\$4,507	\$5,779	28%
Destination Retail (1000 S.F.)	\$14,286	\$11,052	-23%
Neighborhood Retail (1000 S.F.)	\$7,142	\$5,526	-23%
Hotel (Room)	\$4,660	\$3,575	-23%
Other Uses (Per Trip)	\$6,150	\$5,958	-3%

Rest of Sunnyvale

Land Use	Existing	Recommended	% Change
Single-Family Detached (Unit)	\$2,278	\$3,114	37%
Multi-Family Attached (Unit)	\$1,398	\$1,931	38%
General Office (1000 S.F.)	\$3,360	\$4,640	38%
Research & Development (1000 S.F.)	\$2,210	\$3,332	51%
Industrial (1000 S.F.)	\$1,670	\$3,021	81%
Retail (1000 S.F.)	\$4,217	\$5,776	37%
Hotel (Room)	\$1,376	\$1,868	36%
Other Uses (Per Trip)	\$2,278	\$3,114	37%

The fees generally increase based on an updated model, the delta in trips to existing conditions, and a less conservative ratio of trips to impacts. The fees are on par with Cities such as Palo Alto, Menlo Park, San Carlos, and Fremont but lower than San Jose, Los Altos, and the North Bayshore Mountain View area. The City of Santa Clara has the lowest fees of any of the Cities surveyed (Attachment 6).

FISCAL IMPACT

The previous fee included \$287M of improvements with \$136M from the TIF. The new fee includes \$906M of improvements with \$126M from the TIF. The change from the \$287M to \$906M is predominantly due to the inclusion of the Caltrain grade separations (\$180M), updated estimates for Lawrence expressway grade separations (from \$170M to \$440M based on the recently completed County Expressway Study), and the inclusion of two new Lawrence Expressway projects (\$80M).

Although the project list has increased from \$287M to \$906M, the projects can be built with less local funding because the City contributions have been decreased to reflect the requirements of Measure B, and to also to align with typical funding matching rates for federal and grant funded projects. As an example, as part of the current fee the Lawrence Expressway Grade Separations were planned to have 60% outside funding. With Measure B that Expressway project is expected to be 90% outside

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funded.

PUBLIC CONTACT

Public contact was made through posting of the Bicycle and Pedestrian Advisory Commission agenda on the City's official-notice bulletin board, on the City's website, and the availability of the agenda and report in the Office of the City Clerk.

ALTERNATIVES

1. Recommend to City Council the Update of the Transportation Strategic Program and Adopt a Resolution Amending the City's Master Fee Schedule for Traffic Impact Fees.
2. Do not recommend to City Council the Update of the Transportation Strategic Program and Adopt a Resolution Amending the City's Master Fee Schedule for Traffic Impact Fees.

RECOMMENDATION

Alternative 1: Recommend to City Council the Update of the Transportation Strategic Program and Adopt a Resolution Amending the City's Master Fee Schedule for Traffic Impact Fees.

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ATTACHMENTS

1. Reserved for Report to Council
2. Traffic Impact Fee Study
3. Project List and Cost Breakdown
4. Intersection Improvements
5. List of Current Improvements
6. TIF City Survey
7. Resolution to Amend the Master Fee Schedule